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3 DEC 1979

MEMORANDUM FOR: Chief, Legislation Division, OLC

FROM: James H. McDonald
Director of Logistics

SUBJECT: Procurement Related Legislation

REFERENCE: OLC Memorandum dated 9 November 1979,
same subject (OLC 79-3208)

1. In response to referenced memorandum, we have reviewed H.R. 5525 and H.R. 5381, which are designed to amend the Federal Property and Administrative Sources Act (FPASA) of 1949. H.R. 5525 does not appear to significantly impact the Central Intelligence Agency. However, H.R. 5381 does create some concern.

2. H.R. 5381 is a bill to amend the Federal Property and Administrative Sources Act of 1949 in an attempt to improve certain contracting procedures of the Federal Government. Section 2 of the bill will amend Section 307 of the FPASA. The bill requires that agencies, to whom the Administrator of General Services Administration (GSA) has delegated contracting authority, must establish and maintain more nearly uniform procurement practices designed to improve the decisionmaking in such practices by requiring detailed records of the significant stages of contract operations, by requiring personal accountability for all decisions as to each contract, and by requiring periodic review of contracting practices to foreclose existing or new methods of abuse. The bill further provides that the Administrator shall periodically and regularly review the contracting activities of these agencies for the purpose of eliminating fraud, waste, and abuse. There are other reporting and oversight requirements in the bill. Based upon the position we have taken on many bills in the past, we should request that the same or similar language, as set forth in your letter (OLC79-0333/A undated) to Mr. James M. Frey of the Office of Management and Budget, be inserted in the bill. For your information, the language is as follows:

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"provided, that nothing in this section shall be construed to require the disclosure of intelligence sources or methods, or to otherwise affect the authorities granted the Director of Central Intelligence by statute or executive order."

3. Thank you for the copy of the Office of Federal Procurement Policy Amendments of 1979 and the copy of the report on hearings on the Federal Acquisition Reform Act of 1979.

/s/ James H. McDonald

James H. McDonald
Director of Logistics

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